GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:99
ANSWERED ON:30.11.2015
Captive Iron Ore Mines for RINL
Gandhi Shri Feroze Varun;Reddy Shri Ch. Malla

Will the Minister of STEEL be pleased to state:

(a) whether Rashtriya Ispat Nigam Limited (RINL) has been showing signs of bad financial condition during the last three years;
(b) if so, the details thereof along with the steps taken by the Government to curb this financial downfall of the company;
(c) whether the Government is planning to acquire captive iron ore mines for Visakhapatnam steel plant/RINL and if so, the details thereof;
(d) whether the Government is seriously considering to merge National Mineral Development Corporation with RINL to get a hold on captive mines; and
(e) if so, the details thereof along with the time by which the said merger is likely to be completed?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI VISHNU DEO SAI)
STEEL AND MINES

(a)&(b): During the last three financial years RINL has been profit making as indicated below:-
(Rs. in Crore)
2012-13 2013-14 2014-15
Profit After Tax (PAT) 353 367 62

The profits for the year 2014-15 were lower than those of the previous year due to various factors including impact of cyclone Hudhud, market conditions, cheaper imports, etc.

Necessary steps were taken by RINL for restoration post hudhud and all the units have been brought back into operation in a phased manner, progress of which was closely monitored by the Ministry of Steel. The Company has also filed claims for damages to property etc. and loss of profits with the Insurance Company.

Steel is a deregulated sector, the role of the Government is that of a facilitator. The Government has taken steps to support domestic steel players (who also include RINL) which inter alia include the following:

â€¢ MMDR Amendment Act 2015 and Coal Mines (Special Provision) Amendment Act 2015 for facilitating raw material availability;
â€¢ Peak Customs duty rate enhanced to 15% from 10%;
â€¢ Effective Customs Duties enhanced twice @2.5% each on 16.06.15 &12.08.15. Import Duty is now 12.5% on some products;
â€¢ Govt. has amended the Steel & Steel Products (Quality Control) Order, 2012, in December, 2014, in order to ensure that only quality steel is imported into India etc.

(c) As per the Mines and Minerals (Development and Regulation) Act, 1957, as amended by the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the State Governments have been empowered to grant mining leases through the method of auction under section 10A or through the reservation route under section 17A (2A) of the Act. Therefore, allocation of new mining lease is to be regulated as per the provisions laid down in the amendment Act.

(d)&(e): There is no proposal to merge RINL with National Mineral Development Corporation.

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